



United States Department of the Interior

MINERALS MANAGEMENT SERVICE
Washington, DC 20240

FEB 10 1997

Dear Payor:

This letter explains new procedures applicable to appeal decision time limits and formal extensions to these time limits. On August 13, 1996, President Clinton signed the Federal Oil and Gas Royalty Simplification and Fairness Act (RSFA). This new Act, and the regulations being proposed to implement it, set forth the following time frames:

- The Minerals Management Service (MMS) must issue a decision within 16 months of the date the appellant files the appeal with the MMS Director.
- The Department (generally the Interior Board of Land Appeals) must issue a final decision on all appeals involving Federal oil and gas royalties within 33 months of the date the appellant files the appeal.

The RSFA provides that if the final decision is not issued within the 33 months, appeals will be: (a) deemed to be granted in favor of the appellant as to any nonmonetary obligation and any monetary obligation the principal amount of which is less than \$10,000, and (b) deemed to be decided in favor of the Department as to any monetary obligation the principal amount of which is \$10,000 or more. Although these time frames, by law, apply only to Federal oil and gas leases, MMS intends to use the 16- and 33-month time frames as goals for deciding appeals involving Indian leases and leases for minerals other than oil and gas. The provisions of RSFA relating to appeals deemed to be granted or decided if the final decision is not issued within the 33 months, as described in (a) and (b) of this paragraph, do not apply to appeals involving Indian leases and leases for minerals other than oil and gas.

During various phases of the appeal process, appellants may request that a due date be extended or an appeal be placed on "hold." In the future, any appellant who requests an extension or a hold must also provide a written agreement to extend the 16- and 33-month time frames.

The new procedures for requesting an extension or a hold are outlined below.

Requests for Extension of Due Dates

- Before MMS files the Field Report: Soon after filing an appeal, the appellant often requests an extension of the due date for submitting the Statement of Reasons (the appellant's explanation of its appeal). The MMS office that issued the original order will approve or deny the request for extension of the due date to file the Statement of Reasons.

Both MMS and the appellant must use the "Extension Agreement for MMS Appeal" (see enclosure 1) to extend the due dates and the appeal decision time frames.

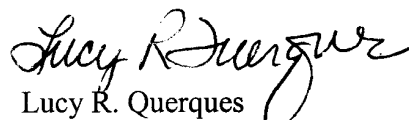
- After MMS files the Field Report: After MMS files the Field Report, the Appeals Division will approve or deny the appellant's request for an extension of the due date to file documents, such as a response to the Field Report. Both MMS and the appellant must use the "Extension Agreement for MMS Appeal" (see enclosure 1) to extend the due dates and to extend the appeal decision time frames.

Requests for Holds Pending Negotiations and Litigation

If settlement negotiations are in the final stages, the MMS Office of Enforcement will initiate the process to place the appeal on hold. Cases can also be placed on hold for other reasons, such as when the parties are awaiting a court decision in another case where the issues are similar and a precedent could be established. Both MMS and the appellant must use the "Hold Agreement for MMS Appeal" (see enclosure 2) to place the appeal on hold and extend the 16- and 33-month time frames. The Chief, Appeals Division, will approve or deny requests for delay and formalize the hold.

If you have any questions, please call either Kenneth R. Vogel at (303) 231-3749 or Judy Comm at (303) 231-3883.

Sincerely,



Lucy R. Querques
Associate Director for
Royalty Management

Enclosures

Extension Agreement for MMS Appeal

Appellant: _____

Docket No. MMS-____-____-____ [Execute separate agreement for each docket no.]

I hereby request a _____ day extension of time to file a:

_____ Statement of Reasons
_____ Response to the Field Report
_____ Supplemental Statement of Reasons

for the appeal listed above filed under 30 CFR 290. The extension will be measured from the date the document was due.

I also agree to extend for the same number of days the 33-month time frame for processing appeals as set out in 30 U.S.C. 1725(h)(1) and any time frame that MMS may provide for by regulation.

The Appellant's representative and the Secretary's Designee executing this agreement, warrant that they are duly authorized to represent and bind the parties hereto. The MMS Appeals Division concurrence is required to validate this agreement.

Appellant: _____

By: _____

Title: _____ Date Executed: _____

FAX Number: _____

Approved by:

Secretary's Designee: _____

Authorized Royalty Management Program Official (prior to issuance of the field report)

FAX Number: _____, or

Chief, MMS Appeals Division (after issuance of field report)

Concurrence: _____

Chief, MMS Appeals Division

Forms may be filed by fax with the appropriate Royalty Management Program office (pre-field report) or with the MMS Appeals Division (post-field report, Fax no. 202-219-5565). After concurring, the Appeals Division will fax copies back to the appellant and the appropriate Royalty Management Program official.

Hold Agreement for MMS Appeal

Appellant: _____

Docket No. MMS-____-____-____ [Execute separate agreement for each docket no.]

I hereby request that the appeal listed above, filed under 30 CFR 290, be put on hold for _____ days pending completion of settlement discussions between the appellant and MMS or pending a decision on a related case currently pending at the Interior Board of Land Appeals or in Federal Court. I request that the due date for any documents otherwise required from the appellant regarding this appeal be extended until the end of this hold period and that MMS not issue a decision on this appeal during this hold period.

I also agree to extend for the same number of days the 33-month time frame for processing appeals as set out in 30 U.S.C. 1725(h)(1) and any other time frame for processing appeals that MMS may provide for by regulation.

Either the Appellant or the MMS may terminate this agreement by giving written notice. Such notice will terminate the hold, the extension of time to file any documents by the appellant, and the extension of time frames for processing the appeal 30 days after the date of the notice.

The Appellant's representative and the Secretary's Designee executing this agreement, warrant that they are duly authorized to represent and bind the parties hereto. The MMS Appeals Division concurrence is required to validate this agreement.

Appellant: _____

By: _____

Title: _____ Date Executed: _____

FAX Number: _____

Approved by:

Secretary's Designee: _____

Authorized Royalty Management Program Official (prior to issuance of the field report)

FAX Number: _____, or

Chief, MMS Appeals Division (after issuance of field report)

Concurrence: _____

Chief, MMS Appeals Division

Forms may be filed by fax with the appropriate Royalty Management Program office (pre-field report) or with the MMS Appeals Division (post-field report, Fax no. 202-219-5565). After concurring, the Appeals Division will fax copies back to the appellant and the appropriate Royalty Management Program official.